



REPORT
LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.
DECEMBER 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-1-04

LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.

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**DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.**

CERTIFIED PUBLIC ACCOUNTANTS

**MICHAEL J. O'ROURKE, C.P.A.
WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR, C.P.A.
DAVID A. BURGARD, C.P.A.
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DENNIS W. DILLON, C.P.A.**

**ANN M. HARGES, C.P.A.
ROBIN A. STROHMEYER, C.P.A.**

KENNETH J. BROOKS, C.P.A., ASSOCIATE

1340 Poydras St., Suite 2000 · New Orleans, LA 70112
(504) 586-8866
FAX (504) 525-5888
cpa@dhhmcpa.com

**A.J. DUPLANTIER JR, C.P.A.
(1919-1985)
FELIX J. HRAPMANN, JR, C.P.A.
(1919-1990)
WILLIAM R. HOGAN, JR, C.P.A.
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(1921-1999)**

**MEMBERS
AMERICAN INSTITUTE OF
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SOCIETY OF LA C.P.A.'S**

May 18, 2004

Livingston Economic Development Council, Inc.
1810 South Range Ave.
Denham Springs, LA 70726

We have compiled the accompanying statement of financial position of Livingston Economic Development Council, Inc. as of December 31, 2003, and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated May 18, 2004, on the results of our agreed-upon procedures in relation to Livingston Economic Development Council, Inc.

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003
(Unaudited)

ASSETS:

Cash and cash equivalents	\$ 135,867
Certificates of deposit	253,607
Accounts receivable	15,523
Land	210,432
Equipment and improvements	135,509
Accumulated depreciation	<u>(10,977)</u>

TOTAL ASSETS \$ 739,961

LIABILITIES:

Payroll deductions and accruals	\$ 2,410
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NET ASSETS:

Unrestricted -	
Designated for new program development	660,993
Temporarily restricted	<u>76,558</u>
Total net assets	<u>737,551</u>

TOTAL LIABILITIES AND NET ASSETS \$ 739,961

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (Unaudited)

CHANGES IN UNRESTRICTED NET ASSETS:
 REVENUES:

Grants:	
Parish	\$ 27,000
Municipalities	9,176
Interest earnings	4,606
Membership investments	10,250
Dixie Business Development Center Contract	24,000
Mortgage Finance Authority	24,000
Other miscellaneous income	3,714
Total unrestricted revenues	<u>102,746</u>

Net assets released from restrictions 45,349

 Total unrestricted revenues and other support 148,095

EXPENSES:

Program (Page 4)	122,720
Administrative (Page 4)	13,393
Total expenses	<u>136,113</u>

INCREASE IN UNRESTRICTED NET ASSETS 11,982

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Hotel occupancy taxes	58,144
Net assets released from restrictions	<u>(45,349)</u>

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 12,795

INCREASE IN NET ASSETS 24,777

Net assets at beginning of year 712,774

NET ASSETS AT END OF YEAR \$ 737,551

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2003
 (Unaudited)

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Advertising and promotion	\$ 9,121	\$ -	\$ 9,121
Auto expense reimbursement	7,200	-	7,200
Conferences and seminars	330	-	330
Depreciation expense	3,312	-	3,312
Dues and subscriptions	-	840	840
Insurance	-	566	566
Miscellaneous	510	1,565	2,075
Office expenses	725	81	806
Postage and freight	-	604	604
Professional fees	11,703	-	11,703
Property taxes	380	-	380
Rent	10,800	1,200	12,000
Repairs and maintenance	1,600	-	1,600
Salaries and benefits	74,323	8,258	82,581
Strategic plan consultants	205	-	205
Telephone	2,511	279	2,790
	<u>\$ 122,720</u>	<u>\$ 13,393</u>	<u>\$ 136,113</u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 24,777
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	3,312
Net change in operating assets and liabilities:	
Accounts receivable	10,007
Payroll deductions and accruals	291
Net cash provided by operating activities	<u>38,387</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(66,268)
Maturities of certificates of deposit	60,266
Net cash used by investing activities	<u>(6,002)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,385
Cash and cash equivalents at beginning of year	<u>103,482</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>135,867</u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Unaudited)

NATURE OF ACTIVITIES:

The Livingston Economic Development Council, Inc. (LEDC) was formed in 1982 by business and elected leaders to promote and secure capital investment in Livingston Parish to increase the tax base and provide job opportunities. The LEDC is a private, non-profit membership corporation. Its major sources of revenue are hotel occupancy taxes and grant income.

The LEDC works to achieve this mission in three ways:

- * Recruit new or expanding business opportunities to the parish from outside sources.
- * Work with existing businesses and industry to encourage growth and expansion.
- * Encourage entrepreneurship and the formation of new businesses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of LEDC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the LEDC is required to report information regarding its financial position and activities according to three classes of net assets:

- * Unrestricted Net Assets
- * Temporarily Restricted Net Assets
- * Permanently Restricted Net Assets

Fund Accounting

The accounts of LEDC are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. In accordance with SFAS No. 117, fund balances are classified on the Statement of Financial Position as unrestricted, temporarily restricted or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003
 (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Tax Status

The LEDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the LEDC's tax-exempt purpose is subject to taxation as unrelated business income.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the LEDC considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents totaled \$135,867 at December 31, 2003.

Property and Equipment and Depreciation

Property and equipment are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$3,312 for the year ended December 31, 2003.

2. CASH AND CERTIFICATES OF DEPOSIT:

At December 31, 2003, the status of deposited funds and collateralized balances is as follows:

Bank balances	\$ 446,960
Secured by Federal Deposit insurance	<u>401,227</u>
Unsecured and uncollateralized	<u>\$ 45,733</u>

3. TEMPORARILY RESTRICTED NET ASSETS:

Livingston Economic Development Council, Inc. receives funds from the Louisiana Department of the Treasury. The funds are restricted by Acts 13 and 14 of the Louisiana Legislative Regular Sessions of 2002 and 2003, General Appropriations Acts for a purpose which has not been met. At December 31, 2003, \$76,558 of these restricted funds were held by the LEDC.

4. LEASE EXPENSE COMMITMENTS:

During the year ended December 31, 2003, Livingston Economic Development Council, Inc. leased office space from Dixie Business Development Center for \$1,000 a month. The lease expires on January 31, 2004. Future minimum lease payments are as follows:

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003
(Unaudited)

4. LEASE EXPENSE COMMITMENTS: (Continued)

<u>Year ended</u> <u>December 31</u>	<u>Amount</u>
2004	<u>\$ 1,000</u>

5. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

6. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets are released from temporary restrictions by incurring expenses satisfying the restricted purpose.



DUPLANTIER, HRAPMANN,
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES

May 18, 2004

Livingston Economic Development
Council, Inc.
1810 South Range Avenue
Denham Springs, LA 70726

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Livingston Economic Development Council, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Livingston Economic Development Council, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2003 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed are as follows:

State and Local Awards

1. Determine the amount of State and local award expenditures for the fiscal year, by grant and grant year.

<u>Grant Name</u>	<u>Grant Year</u>	<u>Amount</u>
Municipalities	December 31, 2003	\$ <u>9,176</u>
Parish Council	December 31, 2003	\$ <u>27,000</u>
Denham Springs/Livingston Parish Housing and Mortgage Finance Authority	December 31, 2003	\$ <u>24,000</u>

State, and Local Awards (Continued)

2. We randomly selected thirty disbursements for all grants during the period under examination.
3. For the items selected in procedure 2, we traced all of the disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for the thirty selected disbursements for all grants and found that payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the disbursements were properly coded to the correct fund and general ledger account.

All of the disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the disbursements received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated approval from two members of the Board.

6. For the items selected in procedure 2, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed

We reviewed the previously listed disbursements for types of activities allowed or not allowed. All disbursements complied with the allowability requirements because the services rendered met the goals of the programs.

Eligibility

Since all disbursements are for economic development, there is no eligibility concern for the disbursements.

Reporting

There were no reporting requirements for the year ended December 31, 2003.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

None of the programs were closed during the period.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted at an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Livingston Economic Development Council, Inc. is only required to post a notice of each meeting and the accompanying agenda on the door of Livingston Economic Development Council, Inc.'s office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Budgeting

9. For all grants exceeding five thousand dollars, we determined that each applicable State, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Through inquiry of management, we determined that Livingston Economic Development Council, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. We reviewed any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

In the audit for the year ended December 31, 2002, there were no findings noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Commissioners and management of Livingston Economic Development Council, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, L.L.P.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

(Date Transmitted)

Livingston Economic Development Council, Inc.

1810 S. Range Avenue

Denham Springs, LA 70726

Duplantier, Hrapmann, Hogan & Maher, LLP (Auditors)

In connection with your compilation of our financial statements as of December 31, 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No N.A.

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you

documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u><i>Jim Wick</i></u>	Secretary	Date <u>2/26/04</u>
<u><i>Thomas F. Dixon</i></u>	Treasurer	Date <u>2/26/04</u>
<u><i>May Brown</i></u>	President	Date <u>2/26/04</u>

CERTIFICATE

I, Jeff Woods, do hereby certify that: I am the Secretary of the Livingston Economic Development Council, Inc. (hereafter called the "LEDC"); the following is a true and correct copy of the Resolution duly adopted by the Executive Committee of the Corporation at its regular meeting held on February 27, 2004 and entered in the minutes books of the corporation; the meeting was duly and regularly held in accordance with the bylaws of the Corporation; and the following resolution has not been rescinded or modified:

RESOLUTION

BE IT RESOLVED THAT the Livingston Economic Development Council, Inc. (LEDC) Executive Committee approves the Louisiana Attestation Questionnaire for the period ending December 31, 2003 and hereby supplies same to the Louisiana Legislative Auditor, as per their request.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of March, 2004.



JEFF WOODS, Secretary
LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.